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C O N F I D E N T I A L SECTION 01 OF 03 KIEV 000641

SIPDIS

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TAGS: [PGOV](#) [PINR](#) [ECON](#)

SUBJECT: UKRAINE: REGIONS' BOSS YANUKOVYCH ON WTO, ELECTION
POLITICS

REF: KIEV 610

Classified By: Ambassador for reasons 1.4 (b) and (d).

Summary

1. (C) Party of Regions' leader Viktor Yanukovych told Ambassador on February 15 that Ukraine had to coordinate its WTO entry with Russia and said that President Yushchenko would be making a "huge mistake" if he formed an "Orange Coalition" with ex-PM Yuliya Tymoshenko before or after the March parliamentary elections. Such a coalition, Yanukovych asserted, would divide Ukraine, empower the charismatic Tymoshenko, and turn Yushchenko into a lame duck. Yanukovych acknowledged that Regions was conducting separate talks with both the Tymoshenko and Yushchenko camps about forming an "Orange/Blue" coalition. He complained, though, that discussions with Yushchenko's team were being complicated by what he alleged was the continuing "repression" of his supporters. In particular, separatism charges against former Kharkiv Governor Yevhen Kushnaryov and Luhansk Oblast Council Chief Viktor Tykhonov were a needless thumb in Regions' eye. In a follow-on conversation with Ambassador, Presidential Chief of Staff Oleh Rybachuk said he would not be surprised if, "in certain areas," Yushchenko supporters were going after Regions officials. Rybachuk denied, though, that there had been any "instructions from the top." Separately, former Ukrainian Foreign Minister Hryshchenko, running as part of the SPDU(o)-led Ne Tak! bloc, told Ambassador on February 16 that former National Security and Defense Council Chief Petro Poroshenko had recently visited Donetsk and urged local officials to "resume cases" against Regions politicians. Hryshchenko claimed that Poroshenko appeared to be working hard to scuttle a possible deal between Yushchenko and Yanukovych, because such a coalition would likely freeze out the disgraced oligarch. End summary.

Proffesor Yanukovych on WTO...

2. (C) During a February 15 meeting that covered a range of issues (reftel), Party of Regions leader Viktor Yanukovych stressed to Ambassador that Ukraine's entry into the WTO had to be coordinated with Russia; a lack of coordination with Moscow would be "dangerous," he claimed, given that "35 percent" of Ukraine's exports went to Russia. (Note: According to official 2005 statistics, 21.9 percent of Ukraine's goods exports went to Russia. This reality undermines much of Yanukovych's argument. End note.) The Kuchma-era prime minister incongruously added that if Ukraine did not "defend its interests" during the WTO accession process, it would "end up like Poland." Ambassador noted that replicating Poland's economic progress during the past 5-10 years would be a major accomplishment for Ukraine; Yanukovych had no reply. (Comment: This conversation did not shed positive light on Yanukovych's grasp of WTO entry issues or the benefits of membership to the Ukrainian economy. See septel. We will address WTO questions to other Regions MPs. End comment.)

...An "Orange Coalition"...

3. (C) Shifting from economics to politics, Yanukovych said he was closely following reports that People's Union/Our Ukraine (PUOU) would soon form an "Orange Coalition" for the March parliamentary elections. He ticked off several reasons why such a coalition would be "a huge mistake," largely rehashing arguments he has made since the the final Presidential debate before the December 26 re-vote, when he pitched Yushchenko to strike a deal with him and make Yanukovych PM:

-- The eastern and southern regions of Ukraine would reject Yushchenko, in effect making him President of only a part of Ukraine;

-- Such a coalition would mean that Yuliya Tymoshenko would be the next prime minister, triggering "fierce resistance" in the east and south; and,

-- Tymoshenko serving as prime minister again would make her the favorite to win the presidency in 2009 and quickly

turn Yushchenko into a lame duck.

14. (C) Yanukovych acknowledged, though, that -- despite public proclamations that they would not form a coalition with Regions -- both PUOU and Tymoshenko were quietly talking to Regions about doing just that. Yanukovych added that, with support from Regions, President Yushchenko "would not need Tymoshenko" and would likely be re-elected in 2009.

...Alleged Repression...

15. (C) The ex-PM complained that Regions' coalition talks with PUOU were being complicated by what he called the continuing "repression" of Regions supporters by the government. He claimed, for example, that former Kharkiv Governor Yevhen Kushnaryov and former Luhansk Oblast Council Chief Viktor Tykhonov were being prosecuted for separatism (note: based on their fiery calls at the November 28, 2004 Severodonetsk congress). Yanukovych explained that the court actions against them seemed pointless, as both were oblast council members and enjoyed immunity; they were slated to stand trial well after the elections in any event (note: they are numbers 10 and 8 respectively on Regions' party list and thus shoo-ins to have Rada MP immunity. End note). The charges, he suggested, seemed to be a needless thumb in the eye.

16. (C) Pressed for more examples of "repression," Yanukovych claimed that Minister of Education Nikolayenko was orchestrating a campaign of pressure on college students who openly supported Regions candidates. It was "ridiculous" for the government to resort to such tactics, he groused. (Comment: Embassy contacts in the education community report no such pressure on students. Moreover, and in contrast, IRI related to us that the one known egregious case of administrative pressure is coming from Regions MP Anatoliy Kukoba, the de facto mayor of Poltava, who is preventing the registration of any candidates for the town council that do not have his personal approval. End comment.)

And "Vengeance"

17. (C) Yanukovych asserted that he was doing all he could to keep "his people" from going public with their concerns and attacking the Yushchenko administration. He related that, just before meeting with Ambassador, a group of Regions supporters had come to his office with alleged proof of government instructions to "go after" Regions officials. Yanukovych said he had warned Yushchenko that Regions supporters were being "oppressed, insulted, and would take vengeance" on the government. The former prime minister also said that he had personally muzzled former Prosecutor General Piskun, Number 97 on the Regions party list, who was itching to go public with allegations that Yushchenko had used the Prosecutor General's Office (PGO) to attack his political opponents. Yanukovych explained that Piskun had been taken in by Regions in order to keep him from joining Tymoshenko's bloc and helping Yuliya undercut Yushchenko. Yanukovych acknowledged Ambassador's points about the need to rein in Regions' supporters post-election, and that a failure to do so would further tarnish Regions' reputation in major western capitals. Yanukovych added, though, that he was "not certain he could control people."

Checking the Allegations

18. (C) Following the conversation with Yanukovych, Ambassador spoke with Presidential Chief of Staff Oleh Rybachuk about the allegations of "repression" against Regions supporters. Rybachuk said that he would not be surprised if, "in certain areas," people were going after their political opponents. He denied, though, that there had been any "instructions from the top" to target Yanukovych's people. Rybachuk offered to look into specific examples of alleged political persecution; Ambassador urged him to talk directly to Yanukovych.

19. (C) During a February 16 breakfast meeting with Ambassador, former Ukrainian Foreign Minister and deputy head of the Ukrainian Republican Party Kostyantyn Hryshchenko asserted that former National Security and Defense Council Chief Petro Poroshenko had recently visited Donetsk and urged Interior Ministry and PGO officials to "resume cases against Regions officials." Hryshchenko offered that Poroshenko appeared to be stirring up trouble in order to kill any possibility of a Yushchenko/Yanukovych coalition, because such an arrangement would likely leave no significant role for the disgraced oligarch. (Note: Hryshchenko's party leader is Yuri Boyko, ex-Naftohaz Chief and allegedly a listed Ukrainian partner in RosUkrEnergo's founding documents. They are contesting the elections as

part of the SPDU(o)-led Ne Tak Bloc, running on an anti-NATO, pro-Russian language, pro-Single Economic Space with Russia, Belarus, and Kazakhstan platform).

10.. (U) Visit Embassy Kiev's classified website at:
www.state.sgov.gov/p/eur/kiev.

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